

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 2918-06  
BILL NO.: HCS for SCS for SB 721  
SUBJECT: Utilities; Telecommunications  
TYPE: Original  
DATE: April 19, 2000

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
General Revenue	\$0	(\$0 to \$600,000)	(\$0 to \$100,000)
Assistive Technology Loan Revolving	\$0	\$0	\$0
Deaf Relay Service & Equipment Distribution	(\$650,000)	(\$650,000)	(\$650,000)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$650,000)</b>	<b>(\$650,000) to (\$1,250,000)</b>	<b>(\$650,000) to (\$750,000)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
None	\$0	\$0	\$0
Federal	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Net of up to \$500,000 in federal funds drawn down and loaned out.

Numbers within parentheses: ( ) indicate costs or losses  
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

#### FISCAL ANALYSIS

##### ASSUMPTION

Officials from the **Department of Mental Health (DMH)**, the **Department of Health (DOH)**, the **Department of Social Services (DOS)**, the **Department of Elementary and Secondary Education (DES)**, and the **Office of Administration - Division of Information Technology** assume the proposal would result in no direct fiscal impact to their agencies.

Officials from the **Department of Labor and Industrial Relations, Missouri Assistive Technology Project, (DOL)** stated that regarding the Assistive Technology Loan Program, Title III provides matching federal funds for states to establish no-interest or low-interest loans for the purchase of assistive technology. Each state has been allotted \$500,000 for program start-up. They assume no new staff would be required, and existing positions, currently funded with federal Title Assistive Technology Act dollars, would be used to support program development in FY 2001. An FY 2002 decision item for state general revenue would be developed for staff time and internal operation costs (about \$100,000 annually based on a million dollar program) and a one-time state appropriation of matching dollars (up to \$500,000 if that is the federal allotment). Administrative costs would be for contracts with community organizations, communicating availability of grants to affected members of the public, expenses for meeting with community organizations, and supplies. **Oversight** assumes administrative costs would vary with the amount of funds available for loans.

Officials from the **State Treasurer's Office (STO)**, in a response to a similar proposal (HB 1061 from the 1999 legislative session, assumed that a new accounting fund would be created in the state treasury: the Assistive Technology Loan Revolving Fund. The proposed legislation would slightly increase the number of accounting transactions processed through their accounting system and increase the available funds for investment. The STO would absorb the costs associated with increased accounting transactions and investments through their current appropriations.

DESCRIPTION (continued)

Officials from the **Department of Economic Development - Public Service Commission (PSC)** assume the proposed legislation would result in the need to purchase additional equipment, resulting in total costs of approximately \$2.5 million. The PSC assumes these costs would be spread over three years, for a total of \$737,634 in FY 01 and \$885,172 in both FY 02 and FY 03. These costs are based on the assumption that the proposal would broaden the scope of the clientele served and the potential expenditures by: substituting "telephone" with "telecommunications"; including computer input and output adaptations necessary for telecommunications access; redefining eligible subscriber; and requiring development of procedures to match disabled individuals with adaptive equipment.

The PSC has assumed the scope would be expanded to include the blind and those with other disabilities. Based on an estimated blind population in Missouri of 103,876, the PSC has assumed 105 would utilize the program at a cost of \$21,485 per person. Additionally, the PSC has assumed 72 individuals with other disabilities would take advantage of the program, at a cost of \$1,195 each. Other costs would include consumer support and outreach for a cost of \$306,056 for the three year time period.

To implement the proposal, officials from the **Department of Labor and Industrial Relations (DOL)** assume it would be necessary to hire two additional staff, including one Disability Program Specialist and one Administrative Secretary. In addition, the DOL estimates \$400,000 equipment expenditures in FY 01, \$650,000 in FY 02 and \$675,000 in FY 03. There would also be associated contractual expenses of approximately \$200,000 per year. Total annual costs are estimated at approximately \$1 million per year.

**Oversight** assumes the program would be placed under the Department of Labor and Industrial Relations and therefore, has reflected costs to the DOL in the fiscal impact specifications below. Additionally, Oversight has adjusted the fiscal impact to annual equipment costs of \$650,000, which reflects the result of a Legislative Research Oversight Subcommittee vote on February 1, 2000.

Officials from the **Department of Economic Development - Office of Public Counsel (OPC)** and the **Department of Natural Resources (DNR)** assume the proposed legislation would have either minimal or no fiscal impact on their agencies.

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<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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**GENERAL REVENUE FUND**

Costs-Department of Labor and Industrial Relations

Appropriation to Assistive Technology

Loan Revolving Fund	0	(\$0 to \$500,000)	0
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Administering the loan program	0	(\$0 to \$100,000)	(\$0 to \$100,000)
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<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>(\$0 to \$600,000)</u></b>	<b><u>(\$0 to \$100,000)</u></b>
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**FEDERAL FUNDS**

Income-Department of Labor and Industrial Relations

Federal Matching Grant	0	0 to \$500,000	0
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Cost-Department of Labor and Industrial Relations

Assistive Technology Loans	0	(0 to \$500,000)	0
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<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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**ASSISTIVE TECHNOLOGY LOAN  
 REVOLVING FUND**

Income-Department of Labor and Industrial Relations

Appropriation from General Revenue Fund	\$0	\$0 to \$500,000	\$0
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Loan Repayments	0	0	\$0 to Unknown
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Cost-Department of Labor and Industrial Relations

Assistive Technology Loans	0	(0 to 500,000)	(0 to Unknown)
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**ESTIMATED NET EFFECT ON  
 ASSISTIVE TECHNOLOGY LOAN  
 REVOLVING FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**DEAF RELAY SERVICE AND  
 EQUIPMENT DISTRIBUTION FUND**

Costs - Department of Labor and Industrial  
 Relations - (DOL)

Equipment	(\$650,000)	(\$650,000)	(\$650,000)
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**ESTIMATED NET EFFECT TO  
 DEAF RELAY SERVICE AND  
 EQUIPMENT DISTRIBUTION FUND**

<u>(\$650,000)</u>	<u>(\$650,000)</u>	<u>(\$650,000)</u>
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FISCAL IMPACT - Local Government

FY 2001 (10 Mo.)	FY 2002	FY 2003
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0	0	0
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses is expected as a result of this proposal.

DESCRIPTION

The proposal would require the Missouri Assistive Technology Advisory Council to establish an assistive technology loan program to provide loans for the purchase of assistive technology devices and services as defined in section 191.850, RSMo. After July 1, 2001, upon appropriation and upon the state's receipt of any federal matching grant moneys, the loan program would provide loans. The proposal would create the Assistive Technology Loan Revolving Fund to be administered by the Missouri Assistive Technology Advisory Council and the State Treasurer. Moneys in the fund would be used to establish and maintain the assistive technology loan program.

The proposed legislation would require the Missouri Assistive Technology Advisory Council to provide a statewide telecommunications equipment distribution program to basic telecommunications service to those eligible subscribers who are unable to use traditional telecommunications equipment due to disability. The act would add definitions to expand the scope of the program to all telecommunications equipment, including voice and text.

The program administrator would be required to provide consumer support and outreach; provide a full range of adaptive telecommunications equipment to meet the needs of individuals with all types of disabilities; and expend no less than 10% of total expenditures for consumer support and outreach and no more than 20% of total expenditures for program administration in any fiscal year. The Missouri Assistive Technology Advisory Council would be the program administrator for the statewide telecommunications equipment distribution program.

The Council would adopt procedures to limit eligibility based on factors deemed appropriate by the program administrator.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

This proposal would not affect Total State Revenues.

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
State Treasurer's Office  
Department of Social Services  
Department of Health  
Department of Labor and Industrial Relations-Missouri Assistive Technology Project  
Department of Mental Health  
Office of Administration  
Office of Information Technology  
Department of Economic Development - Public Service Commission  
Department of Economic Development - Office of Public Counsel  
Department of Natural Resources

A handwritten signature in black ink, appearing to read "Jeanne Jarrett", with a stylized, cursive script.

Jeanne Jarrett, CPA  
Director  
April 19, 2000